



# Georgia

## Benefits From Exports

Georgia's export sales of merchandise in 2000 totaled \$11.8 billion, up by 20 percent from 1997 and nearly double the 1993 total of \$6.1 billion.

Georgia's exports, buoyed by the North American Free Trade Agreement (NAFTA), have recently grown much faster than overall U.S. exports of goods. In 2000, Georgia recorded the seventeenth largest export total among the states—up from 20th place in 1997.

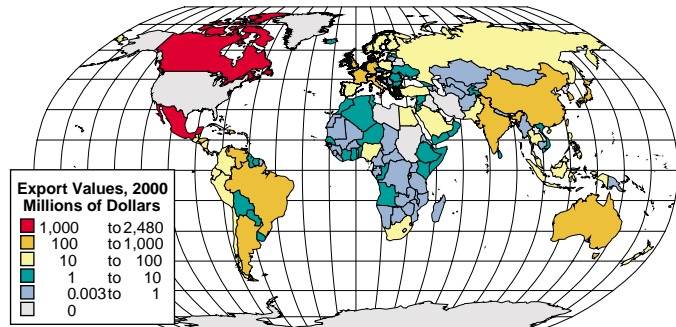
Georgia exports globally to 197 foreign destinations. The state's leading markets, by far, are the NAFTA countries of Canada (21 percent of 2000 exports) and Mexico (21 percent). Other top markets are Japan, the United Kingdom, Germany, Italy, the Netherlands, Australia, France, and Hong Kong.

Georgia's biggest growth market, in dollar terms, is Mexico. From 1997 to 2000, exports sales to Mexico grew from \$686 million to \$2.4 billion—an increase of 253 percent. Georgia also posted big dollar gains in sales to Canada, Italy, Japan, Germany, and Australia.

The state's leading export category is computers and electronic products, which alone accounted for 22 per-

### GEORGIA EXPORTED GOODS WORTH \$11.8 BILLION TO 197 FOREIGN MARKETS IN 2000

Dollar Value of Georgia's Merchandise Exports to Foreign Markets, 2000

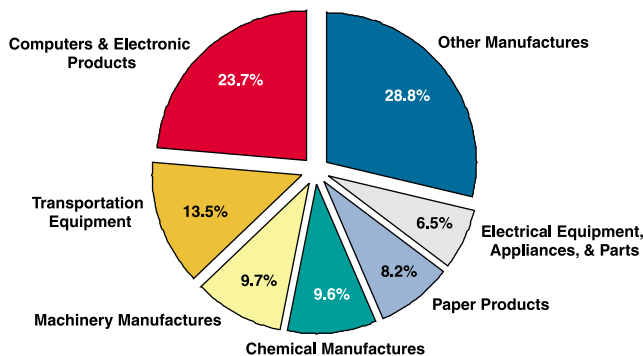


Source: U.S. Department of Commerce, Exporter Location Series.

cent—more than one-fifth—of Georgia's total exports in 2000. Other top manufactured exports are transportation equipment; machinery; chemicals; paper products; and electrical equipment, appliances, and parts.

Within Georgia, Atlanta led all metropolitan areas with 1999 export sales of \$7.6 billion—more than two-thirds of the state total and the 18th largest export figure among the 253 U.S. metro areas for which statistics are available. Atlanta was followed by Savannah, Augusta-Aiken, Macon, Columbus, and Albany. Metro areas that posted the fastest export growth over the 1993–99 period were Augusta-Aiken, Atlanta, and Macon.

### GEORGIA EXPORTS A WIDE RANGE OF MANUFACTURES: \$11.1 BILLION IN 2000



Note: Manufactures are a subcategory of total merchandise exports, which also include mining commodities and unprocessed agricultural products.

Source: U.S. Department of Commerce, Exporter Location Series.

## Exports Support Good Jobs

Export-related jobs tend to be good, high-paying jobs. Wages of workers in jobs supported by goods exports range 13–18 percent higher than the national average. Export-related jobs are also more secure: Exporting plants are 9 percent less likely to shut down than comparable nonexporting plants.

In 1997 (latest available data), Georgia depended on manufactured exports for nearly 186,000 jobs—the 13th highest total among the states. Export-supported jobs accounted for an estimated 5.9 percent of Georgia's total private sector employment.

Manufactured exports supported 72,700 jobs—roughly one of every eight workers—in Georgia’s manufacturing industries. Manufacturing sectors with the most export-related jobs were transportation equipment, fabric mill products, machinery, paper products, computers and electronic products, and chemicals.

Exports of manufactured goods also indirectly supported 112,800 jobs in the state’s nonmanufacturing industries. These industries supply manufacturers with a wide range of inputs needed to produce goods for export.

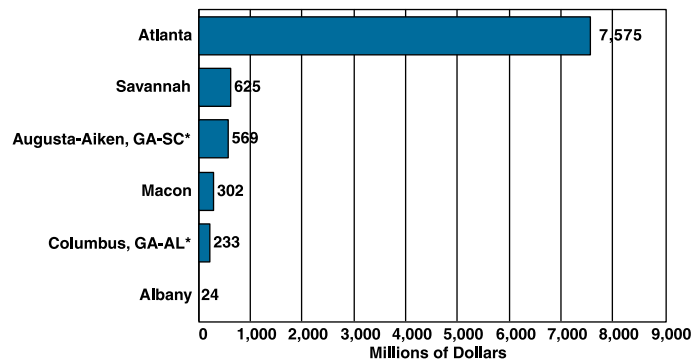
## Exports Help Small Business

Exports have broadly benefited Georgia’s businesses—both large and small. A total of 7,335 companies exported goods from Georgia locations in 1998. Just over 82 percent of these companies, accounting for 29 percent of the state’s total merchandise exports, were small and medium-sized firms that had fewer than 500 employees. In fact, 71 percent of Georgia’s exporters were small firms with fewer than 100 workers.

## Foreign Competitors Are Not Standing Still

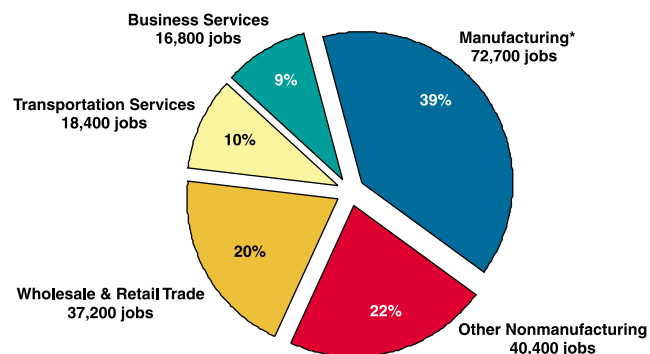
While previous rounds of trade negotiations were highly successful in reducing trade barriers, much work remains to be done to level the playing field for U.S. businesses. In fact, the United States has fallen behind our trading

**THREE GEORGIA METRO AREAS POSTED EXPORTS OF \$500 MILLION OR MORE IN 1999**



\*This metro area partially overlaps into an adjacent state.  
Source: U.S. Department of Commerce, Exporter Location Series.

**185,500 GEORGIA JOBS DEPENDED ON MANUFACTURED EXPORTS IN 1997**



\*Includes 3,100 jobs tied to exports of processed foods.  
Source: U.S. Department of Commerce, Bureau of the Census, Manufacturing & Construction Division.

### TRADE PROMOTION AUTHORITY— KEY TO OPENING WORLD MARKETS

*U.S. Trade Promotion Authority (also known as TPA or “fast track”) is essentially an agreement between the President and Congress on how market-opening trade negotiations will be conducted and agreements approved.*

*Under TPA, the President involves Congress in trade negotiations from the start; Congress, in exchange, agrees to vote yes or no on any resulting agreement in its entirety, without amendments. The two branches set negotiating objectives and consult during trade talks while inviting public comment. This open process allows problems to be identified and resolved during negotiations, when agreement is most easily achieved.*

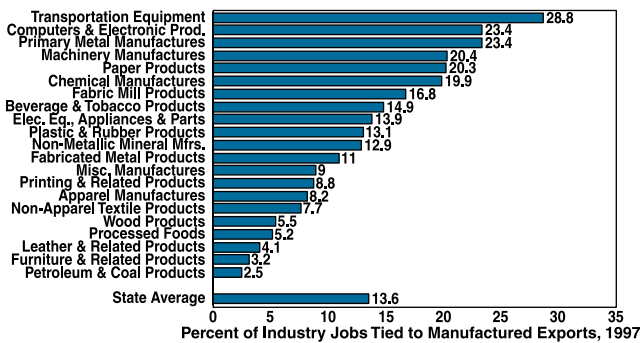
*TPA preserves the ability of the United States to protect public health, safety, and the environment.*

partners in combating market barriers through free trade agreements. The United States is a party to just two of the estimated 130 free trade agreements in force worldwide. In comparison, the European Union has FTAs with 27 countries. Since U.S. tariffs are already low compared to those of our trading partners, the United States has a great deal to gain from future negotiations aimed at prying open foreign markets.

## Georgia Industries Can Gain From Trade Negotiations

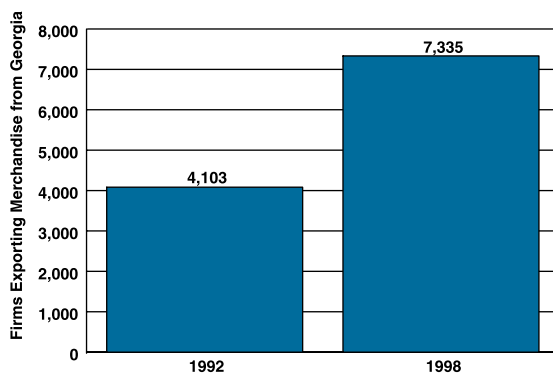
Georgia exporters still face many tariff and nontariff barriers abroad, especially in developing countries. While developing nations are among the most promising markets, they also tend to have high levels of import protection. Trade negotiations aimed at reducing these barriers will significantly benefit Georgia businesses across many industrial sectors.

### MORE THAN ONE-EIGHTH OF MANUFACTURING JOBS IN GEORGIA WERE TIED TO EXPORTS IN 1997



Note: In 1997, 13.6 percent of the 533,800 manufacturing jobs in Georgia were tied to manufactured exports—some 72,700 jobs. For any given manufacturing sector, export-related employment includes all workers producing goods for export or of inputs to the export manufacturing process.  
Source: U.S. Department of Commerce, Bureau of the Census, Manufacturing & Construction Division.

### THE NUMBER OF COMPANIES EXPORTING FROM GEORGIA ROSE 79 PERCENT FROM 1992 TO 1998



Source: U.S. Department of Commerce, Exporter Data Base.

**Information technology.** Georgia is the home of many high-tech companies and benefits from the Information Technology Agreement. The agreement eliminates duties on the entire IT sector in major markets throughout the world, with the exception of the larger markets of Latin America. Tariffs on IT products in key Latin American markets remain as high as 30 percent.

Beyond tariffs, IT products also face such nontariff restrictions as redundant testing and certification requirements. U.S. suppliers, including those in Georgia, would likely see sales rise if remaining barriers on IT products were eliminated. Heavy investment in research and development, which drives IT growth and employment, can only be sustained with expanding markets that spread R&D investments over a growing sales volume. Foreign markets are thus increasingly important to any R&D-based products, given the limits of domestic demand.

**Civil aircraft and parts.** The U.S. civil aircraft industry is the largest in the world. In 2000, total exports of U.S. civil aircraft, engines, and parts were \$45 billion. Over the last five years, three of every five large civil aircraft produced in the United States were exported. The World Trade Organization (WTO) Agreement on Trade in Civil Aircraft provides for duty-free import of civil aircraft and their components by the 26 signatories to this agreement. However, import tariffs in nonsignatory countries remain as high as 30 percent. Also, a number of nontariff barriers impede Georgia's exports of civil aircraft and parts. For example, some countries do not promptly or fully recognize the safety and international noise certification compliance of all U.S. civil aircraft.

**Paper and paper products.** Export sales are critical to the future growth of the U.S. paper and paper products industry, which has operations in nearly every state, including Georgia. As a result of the Uruguay Round, U.S. exporters of paper products have benefited from lower tariffs in a number of foreign markets. However, the industry continues to face high tariffs on paper in countries that do not participate in the Uruguay Round duty elimination agreements. Tariffs are still high in key competitor and consuming countries such as Brazil, Colombia, Indonesia, Malaysia, Thailand, and Venezuela. For example, tariffs in Venezuela and Thailand are as high as 20 percent and 25 percent, respectively. In addition, the U.S. paper industry faces a number of nontariff barriers in key foreign markets,

### GEORGIA: WHY TRADE PROMOTION AUTHORITY?

*Trade Promotion Authority is critical for removing remaining barriers to exports of Georgia goods and services.*

*Georgia exporters still face major trade barriers in such sectors as information technology, civil aircraft and parts, paper products, and chemicals.*

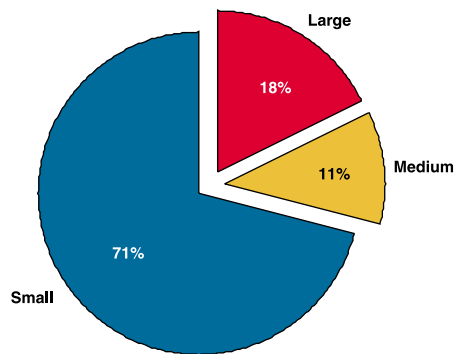
*With the United States on the sidelines, foreign competitors are forging ahead and pursuing their own market-opening agreements.*

*Georgia's economy is export-dependent, with export sales of \$1,438 for every state resident.*

*Nearly 186,000 Georgia jobs depend on exports of manufactured goods.*

*7,335 companies—including 6,038 small and medium-sized businesses—export from Georgia.*

**82 PERCENT OF GEORGIA'S 7,335 EXPORTING FIRMS IN 1998 WERE SMALL AND MEDIUM-SIZED ENTERPRISES**



Small = less than 100 employees; medium = 100–499 employees; large = 500 or more employees.  
Source: U.S. Department of Commerce, Exporter Data Base.

including import surcharges, import quotas, import permits and licenses, and subsidies. Many countries in Asia and Latin America hold tremendous export potential for Georgia's paper companies, provided that tariff and nontariff trade barriers can be lowered through negotiations.

**Chemicals.** Georgia exports a variety of chemical products. TPA would allow the United States to build on duty reductions established under the Uruguay Round Chemical Tariff Harmonization Agreement (CTHA), which reduced tariffs to harmonized low levels on a range of products from fertilizers to plastics. Since the end of the Uruguay Round, more advanced developing countries, most of which do not participate in the CTHA, have become increasingly important chemical producers. Tariffs in Asian countries outside the CTHA range up to 60 percent. New negotiations would offer the opportunity to address tariff disparities and the many nontariff barriers facing the chemical industry, including discriminatory product registration, testing/certification, and import licensing requirements.

**Agriculture.** Georgia produces and exports agricultural products. According to the U.S. Department of Agriculture, Georgia's agricultural exports totaled \$867 million in 1999 (including processed foods). Since 1991, the state's reliance on agricultural exports has risen from 14 percent to 17 percent as measured by export's share of farm cash receipts. Georgia's top agricultural exports are poultry and products, cotton, leaf tobacco, peanuts and products, and live animals and red meat. Georgia already benefits from past trade agreements; however, U.S.

agricultural exports still face high tariffs and nontariff barriers worldwide.

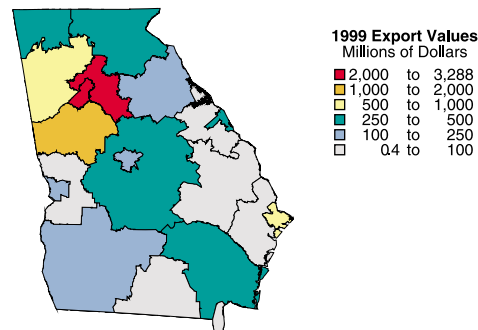
**Services.** Services are the biggest component of the U.S. economy and now account for more than one-fourth (28 percent) of U.S. exports to the world. Service exports in 2000 totaled \$296 billion; the United States ran a surplus of nearly \$80 billion in services trade with the world. Exportable services include transportation services (e.g., air freight), financial services (e.g., banking, insurance) and business services (e.g., engineering, architecture). Service industries confront a wide range of barriers abroad. Trade Promotion Authority will provide added impetus to the new round of global services trade negotiations now under way to dismantle these barriers.

## Imports Also Important to Georgia

While exports generate clear benefits for the Georgia economy (jobs, wages, expanded tax base, etc.), the role of imports is less clear—especially since no import statistics are available for states on an end-user basis. Although many often equate imports with “lost” jobs, the reality is usually much more complex. For example, there is no doubt that imports supply critical inputs for many of the goods and services produced in Georgia, including products destined for export. Imports often play a key role in ensuring supplies of vital materials that are either scarce or simply not available domestically. More generally, imports provide consumers and businesses in Georgia with wider choice in the marketplace, thereby enhancing living standards and contributing to competitiveness.

## EXPORTS ARE SOLD FROM ALL OVER GEORGIA

Georgia's Merchandise Exports by Three-Digit Zip Code, 1999



Note: Georgia's total merchandise exports in 1999 were \$11.1 billion.  
Source: U.S. Department of Commerce, Exporter Location Series.